

children and grandchildren to pay a steep price for the deficits and debt we are adding to today.

Mr. Speaker, H.R. 4297 extends several tax relief measures, including reduced rates for capital gains and dividend income, that I support and would vote for in a balanced, revenue neutral measure. I support: the saver's credit; small business and brownfields expensing relief; the Work Opportunity Tax Credit; the research and experimentation credit; deductions for higher education and classroom expenses; the exclusion for active financing income; and 15-year depreciation rates for restaurant equipment and improvements to leased property. Unfortunately, the Joint Tax Committee estimates that H.R. 4297 will cost \$56.1 billion over the next five years, and the CBO estimates that extending the dividend and capital gains tax reductions alone would cost approximately \$160 billion from FY2008 to FY2015.

Further, unlike the Senate tax reconciliation bill, the House version of this legislation does not address what is arguably the most significant looming tax concern for middle-class American families, namely the growing number of Americans who are forced to pay the alternative minimum tax (AMT). While reduced rates for capital gains and dividend income will not expire for another three years, AMT relief is scheduled to expire in less than one month, at the end of this year.

If AMT relief is allowed to lapse, the number of taxpayers subject to the AMT will increase from 3 million in 2004 to 21 million in 2006. The Congressional Budget Office estimates that extending AMT relief and indexing it for inflation would reduce federal revenue by \$191 billion over the next five years. This is an immediate problem that Congress and the Administration need to work together to fix in a responsible, bipartisan way, before millions of Americans are hit with large, unexpected tax increases.

Mr. Speaker, I will continue to work with my colleagues in both parties to advance commonsense, bipartisan approaches to solving our country's fiscal problems. I urge my colleagues on both sides of the aisle to act as soon as possible, in a fiscally sound way, to prevent serious consequences for current and future generations.

PROVIDING FOR CONSIDERATION
OF H.R. 4297, TAX RELIEF EXTENSION
RECONCILIATION ACT OF
2005

SPEECH OF

HON. SUSAN A. DAVIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 8, 2005

Mrs. DAVIS of California. Mr. Speaker, weeks after passing a spending bill that failed to reflect our national values, we are repeating our mistakes with today's tax cut bill.

We are once again "robbing Peter to pay Paul"—only this time we have picked the worst possible time to do so.

The holiday season is supposed to be a time for giving.

Only this year, it has become a time for giving primarily to the wealthiest 20% of American families.

Upper-income families will not lose much under last month's spending cuts bill.

But they will benefit greatly from today's tax cut package.

Conversely, lower- and middle-income families will suffer great losses under the spending cut bill . . .

. . . yet stand to gain very little from today's tax bill.

That's what I call "Scrooge-onomics."

We continue to dig ourselves deeper and deeper into debt.

The bill before us today comes with a price tag of \$56 billion, with no means to offset that cost.

And what do we get in return?

If you are not among the top tier of wealthiest Americans, not much.

Thirty-six percent of the cost of this bill goes towards extending reduced tax rates for capital gains and dividends.

That's \$20.6 billion dedicated to tax breaks that aren't even scheduled to expire until 2008.

That's \$20.6 billion that could be spent on education, worker training, affordable housing, or improving the quality of life for service members and their families.

It is fiscally irresponsible to spend \$56 billion we do not have on those who do not need it.

And it is unwise to further complicate an already complex tax code to do so.

That is why I am supporting the Democratic substitute to this bill.

This substitute still extends vital tax cuts but includes offsets to pay for the cost, taking the burden off American taxpayers.

It extends the Work Opportunity Tax Credit and the deduction of higher-education expenses.

It extends the research and experimentation credit and the expensing of brownfield sites.

It protects millions of California's taxpayers by extending sorely needed alternative minimum tax relief.

And, importantly for my district of San Diego, California, it extends a critical provision allowing military personnel to elect to include combat pay as earned income.

This allowance will expand the pool of armed services personnel eligible to receive the earned income credit, and it will even increase this credit for some military families.

The brave men and women who sacrifice time with their own families to protect ours deserve no less.

Although this bill would be out of place at any time of year, it is unconscionable during the holiday season.

A nation as prosperous as ours should never ignore its weakest citizens for the sake of tax cuts for the wealthy.

I do not believe this bill reflects our priorities as a nation.

I know it does not reflect my own values.

Yet it does represent the true colors of the majority party.

In the spirit of giving, I hope you will join me in opposing a bill that regards only the wealthy as worthy of receiving.

IN SUPPORT OF H.J. RES. 73, TO
REDEPLOY U.S. FORCES FROM
IRAQ

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 14, 2005

Ms. ESHOO. Mr. Speaker, I rise today in support of the Joint Resolution introduced by Representative JOHN MURTHA. This Resolution should be brought to the floor because the time has come for a change in our Iraq policy.

I believe our military has done its job. They were sent to Iraq to depose a tyrant and free the Iraqi people from Saddam Hussein's brutal regime. They accomplished what can be described as one of the most successful and well-executed military campaigns in history, defeating the Iraqi army in a matter of days and going on to hunt down and capture Saddam Hussein.

The issue before us is not "surrender" or "cut and run". Our troops have accomplished their mission. What they're now having to battle is an insurgency comprised largely of Iraqis who they were sent to liberate. According to our top military leadership, fewer than 7% of the insurgents in Iraq are foreign militants and the primary target of the insurgents are U.S. troops.

The violence is taking its toll on the Iraqi people, the vast majority of whom want a stable, secure Iraq free from foreign occupation. A recent poll taken in Iraq indicated that 80% of Iraqis want the American military to leave, and most chilling, 45% believe attacks against U.S. forces are justified. The daily toll inflicted on our military and our national purse (close to \$1 billion per day now), is simply unsustainable.

Congressman MURTHA has proposed a plan calling for the redeployment of U.S. troops consistent with the safety of U.S. forces, the creation of a quick-reaction force in the region and an "over-the-horizon" presence of Marines, and the pursuit of security and stability in Iraq through diplomacy.

Congressman MURTHA based his sober and professional judgment on the following:

The U.S. and coalition troops have accomplished all they can in Iraq and the American people have not been shown clear, measurable progress for the establishment of a stable and improving security in Iraq or of a stable and improving economy.

American troops have become the primary targets of attacks in Iraq, which is significantly impeding progress. Continued military action is not in the best interest of the United States, the Iraqi people, or the Persian Gulf region.

As Commander of Iraqi forces, General George Casey stated in a September 2005 hearing, "the perception of occupation in Iraq is a major driving force behind the insurgency."

The cost of the war to our country, and the burden on the troops to whom Congressman MURTHA has dedicated his life, is skyrocketing.

Congressman MURTHA knows of what he speaks. He is a 37-year veteran of the Marine Corps, a Colonel, the first Vietnam War veteran elected to this body and an unimpeachable, first-hand authority on the needs of our military.

Congressman MURTHA is one of the most decorated veterans in the Congress. No one